

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Rumania	REPORT	
SUBJECT	Private Enterprises in Bucharest	DATE DISTR.	4 April 1955
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SOURCE EVALUATIONS ARE DEFINITIVE APPRAISAL OF CONTENT IS TENTATIVE

1. Between 1947 to the middle of 1953, private enterprise in Rumania was almost completely non-existent. Despite the fact that Soviet authorities, aided by Rumanian communists, announced that private enterprises were legal in the country, excessive taxes and rigid controls forced most of the private enterprises out of business.
2. During this period, State-controlled enterprises also suffered heavy losses, particularly in the supply of food, and the black market began to thrive. Produce which was supposed to be provided by State stores could be found only on the black market at extremely high prices.
3. In March 1954, the mayor of Bucharest, Donchea, called on former merchants to re-open private food enterprises in order to assist State enterprises to meet the demands of the populace. He cited the increase in the city's population as the reason for the inability of State stores to provide sufficient food. Since March 1954, many small private businesses, such as pastry shops, milk stores, small food stores and confectionaries, were re-opened.
4. Most of the supplies for the small private stores are obtained at high prices either on the black market or from government supply stores. The Economic Militia approves the purchase of government supplies only upon the payment of substantial "tips".

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